### California Department of Water Resources



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# **DWR Begins Implementing Governor's Order---**

# **Expanding Its Role in Electrical Purchase and Sales**

SACRAMENTO---The Department of Water Resources is implementing the Governor's emergency order of Jan. 17, 2001 to negotiate contracts and arrangements for the sale and purchase of electricity to help the State mitigate effects of the electrical shortage.

DWR is experienced in this task, having done it for many years for the State Water Project. The California Independent System Operator (ISO), which retains the lead role in distributing energy and making the call on outages, has staff co-located with DWR. The two agencies are working closely under this emergency order.

This was announced today by Thomas M. Hannigan, Director, Department of Water Resources. "DWR will do its best to help California meet this electrical supply challenge."

In order to efficiently implement the Governor's emergency order, DWR has assigned key officials and program technicians working on power purchases and sales to work in the same location. This is the State Water Project Operations Center in Sacramento, where operations of the State Water Project routinely are conducted and monitored. This co-location move took place the afternoon of January 17. Work on expanded transactions under the Governor's emergency order began at 5 am today, January 18.

DWR during December and January has sought to help the State meet the energy challenge by providing electrical generation and pump load drop from the State

Water Project, as requested by the ISO, and by purchases of bulk power, which have been made available to the ISO for distribution. In December, for example, at the request of the ISO, the Department purchased about \$21 million worth of bulk power and provided it to the ISO to avoid rolling blackouts. By mid-January, the aggregate total of such purchases was about \$45 million.

During Stage 3 alerts, DWR plans to interrupt up to 300 Megawatts (MW) per hour of pump load from the SWP through March 31. DWR also plans to supply up to 150 MW per hour of generation during peak load hours on a single day during the same time period.

DWR's expanded power purchase effort is under the direct supervision of DWR Deputy Director Ray Hart. The power transactions are supervised by Carl Torgersen, Chief, Operations Control Office, Division of Operations and Maintenance, and are conducted by his staff.

While the SWP's hydroelectric facilities generate substantial amounts of electricity, the reality is that the SWP uses more electricity than it produces to move water throughout the SWP, which extends over 660 miles in length. DWR, thus, is a net user of electricity. Moreover, its generation of electricity is insufficient to significantly impact market prices of electricity.

DWR planned, built and operates the State Water Project, largest State-run multiple use water and power system in the nation. The SWP provides a supplemental water supply to 29 public agencies with longterm contracts to buy SWP water. The SWP provides some of the water needs of an estimated 20 million Californians and helps to irrigate about 600,000 acres of farmland.

In addition to its power broker responsibilities, DWR, along with other State departments, is making a maximum effort to curtail use of electricity and wisely conserve it in its daily office and field duty routines.

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The Department of Water Resources operates and maintains the State Water Project, provides dam safety and flood control and inspection services, assists local water districts in water management and water conservation planning, and plans for future statewide water needs.

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